

VZCZCXRO0249
PP RUEHGA RUEHHA RUEHQU RUEHVC
DE RUEHOT #2255/01 3462145
ZNR UUUUU ZZH
P 122145Z DEC 07
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC PRIORITY 7025
INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE
RUEHBS/AMEMBASSY BRUSSELS 0717
RUEHFR/AMEMBASSY PARIS 0977
RUEHSA/AMEMBASSY PRETORIA 0289
RUEHTC/AMEMBASSY THE HAGUE 3465
RUEAUSA/DEPT OF HHS WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC

UNCLAS SECTION 01 OF 02 OTTAWA 002255

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA, OES AND ISN
HHS FOR OFFICE OF GLOBAL HEALTH AFFAIRS
DOE FOR NE

E.O. 12958: N/A
TAGS: [TBIO](#) [ECON](#) [KSCA](#) [CA](#)
SUBJECT: CRITICAL MEDICAL RADIOISOTOPE PRODUCTION MAY
RESUME SOON

¶1. (U) Summary: In the face of a growing shortage of medical radioisotopes, the Canadian House of Commons passed emergency legislation late on December 11 to exempt the nuclear reactor where much of the world's supply of medical radioisotopes is produced from regulatory oversight (for a very narrow exception) for 120 days in order to facilitate a rapid restart of the reactor and resumed production of medical radioisotopes. Once the legislation passes through the Senate, expected later today (December 12), and it receives Royal Assent, perhaps by the end of this week, reactor operator Atomic Energy of Canada Limited (AECL) will commence restarting the reactor, which has been shut down since November 18. Barring unforeseen events, AECL anticipates it will take several days to ramp up to normal operations and several days after that before the medical radioisotope supply chain can return to normal. End summary.

¶2. (U) On the evening of December 11, in the face of a growing shortage of radioisotopes for medical use, the Conservative government introduced and then pushed through the House of Commons emergency legislation, Bill C-38, that would allow Atomic Energy of Canada Limited (AECL), the operator of the 50 year-old National Research Universal reactor at Chalk River, Ontario, to resume operations and radioisotope production without complying with nuclear regulator Canadian Nuclear Safety Commission (CNSC) orders to modify and upgrade certain of its components. Essentially the bill removes CNSC oversight for 120 days for this specific aspect of AECL's operations. In addition to its Chalk River laboratory, AECL also operates a variety of other atomic facilities, such as nuclear waste sites, throughout Canada. Presently a Crown Corporation whose privatization has been discussed, AECL is the designer and builder of CANDU technology.

¶3. (U) The NRU was shut down for routine maintenance on November 18, at which time CNSC inspectors became aware that modifications to the reactor's cooling system called for in an August 2006 licensing review had not been installed, and notified AECL that they were not in compliance with the NRU operating license and could not therefore restart the reactor. AECL of course complied with the CNSC order to not restart the reactor, but claimed the modifications were upgrades, not mission critical, and could be accomplished over a longer period of time during regular maintenance. AECL claimed it could continue to operate the NRU safely without complete installation of the additional equipment, at

least as an interim measure. The impasse between the regulator and AECL has extended NRU's scheduled shutdown from one week to over three weeks, at this point, and global supplies of critical medical radioisotopes have dwindled. Since only four other reactors around the world (one each in France, Belgium, South Africa, and the Netherlands) produce these basic radioisotopes, many of which have half-lives measured in hours, any unplanned reactor shutdown quickly leads to supply disruption. The NRU alone accounts for about 50 percent of global supply of molybdenum-90 the source of technetium-99m, the most widely used isotope for diagnosing disease.

¶4. (U) On December 11 in the House of Commons Prime Minister Q4. (U) On December 11 in the House of Commons Prime Minister Harper noted the shortage of medical radioisotopes presented a very clear danger to hundreds if not thousands of people around the world, whereas the risk to be mitigated by the CNSC-mandated upgrades was significantly more remote and less certain. The Bloc Quebecois and New Democratic Party supported the measure immediately, but the Liberal Party fell in line, and by 11:30 pm Bill C-38 had passed with all party support through all three stages of debate in the House of Commons. It now will go to the Senate, where the government believes it will also pass quickly. The government anticipates the bill could receive Royal Assent by Thursday, December 13. (In fact, we've heard reports the government leader in the Senate thought she would receive the bill from the Commons last night and had maintained a quorum until it became clear the House would not be able to conclude its business until near midnight.)

¶5. (U) Once Royal Assent is received, making Bill C-38 law, CNSC's authority and licensing conditions in this matter will

OTTAWA 00002255 002 OF 002

be suspended for 120 days, and AECL can begin to restart the reactor, which may take several days. AECL and CNSC will nevertheless be working closely together during this 120 day period. Government relations executives for MDS Nordion, the company that actually refines and processes the medical radioisotopes from NRU, told embassy the company will only be able to estimate when the medical radioisotope supply chain will return to normal once reactor operations have recommenced successfully. AECL had earlier said it could not return NRU to service before December 20 if had to comply with all of the upgrades mandated by CNSC.

¶6. (SBU) Comment: Canada's nuclear regulator, the CNSC, was only formed in 2000 from the former Atomic Energy Control Board (AECB). Where AECB had non-proliferation as its primary focus, CNSC has as its principal mandate to "protect people and the environment from licensed sources of man-made radiation resulting from the use of nuclear energy and materials". Given this focus on human health and safety some observers have commented that it is odd that the regulator may not have anticipated that an extended shutdown of NRU would have immediate and far-reaching health impacts downstream. While these second-order health effects may not formally be the concern of the regulator, CNSC's decision on this occasion suggests the capacity to assess the impact of its decisions more broadly may have been lacking. End comment.

Visit our shared North American Partnership blog (Canada & Mexico) at <http://www.intelink.gov/communities/state/nap>

WILKINS